



A N O P E N L E T T E R

March 21, 1997

Dear Customers:

This year, the Independence Day is special. It is also the day we are starting an exciting new telephone service in the country. It is digital and cellular. It is commonly known as Global System Mobile (GSM) service.



First of all, let us tell you about the service, how it is provided and its limitations. You may already know that a cellular service is a lot more than putting handsets in customers' hands. Huge infrastructure involving towers, antennas, switches and other electronic

equipments need to be placed, from location to location. Handsets work only in locations covered by such electronic equipment. In the last four months, since receiving our license, we have covered Dhaka city where you can use a GrameenPhone right now.

We are working on expanding our covered area, outward from Dhaka, into rural areas and other cities. For instance, we will be covering Narayanganj and Uttara within this May. The next important city will be Chittagong. We would be heading towards Chittagong from Dhaka covering a 35-kilometre-wide band of land- mass along the way

between the two cities by this September. By the middle of next year, we will cover a similar band of land between Dhaka and Khulna. If you don't live on these bands, just wait a little longer. We will cover all of Bangladesh, perhaps in four years.



Please don't mind in case your area is not covered soon. You see, we had to start some place, leaving out a lot of areas to be covered later. There is much work yet to be done.

Once your area is covered, you can get connected if you subscribe to our service. That means connecting to virtually all phones in the world. All T&T phones in Bangladesh. And phones in other countries as well.

One of the things you should remember is that, with us, you are in control of your costs. With GrameenPhone, you don't pay for incoming calls. You only pay for calls you make.



We are not necessarily in the business of selling handsets. We are in it for the moment to help you. We would rather have you get your own sets from the electronics market. If

you want to know what sets will work, just remember the word 'GSM-900'. That's the name you ask when you go to an electronics shop. But before the local electronics shops carry the right handsets and develop the right support services, you could get it from GrameenPhone for the time being. During these initial days, GrameenPhone will provide you with Nokia or Siemens handsets. Over time, as mentioned above, GrameenPhone does not want this responsibility. Frankly, giving away this responsibility would allow us to put our minds to providing a service and making it widely available.

Total start-up costs in the initial days would be Taka 18,100. This is our initial package which includes the price of a handset, connection fees, royalties to the Government. In addition,

GrameenPhone will require a Taka 5,000 as a Security Deposit against your bills which would be refundable upon cancellation of service.

After you start, you have to pay usage charges every month. For the Regular Package, that will be monthly fixed charge of Taka 500 and the per-minute call charges of Taka 4 during 8 am-8 pm, and Taka 3 during 8 pm-8 am. For nationwide (NWD) and international (ISD) calls, we would charge the same as T&T. Again, we would not charge for in-coming calls. Note that the above prices do not include VAT and are subject to changes if circumstances require us. Also you should find out from T&T how much it is going to charge your friends who call you at a GrameenPhone number from T&T phones. Please do not assume it to be a local T&T charge even if the physical distance between your friends and you is small.

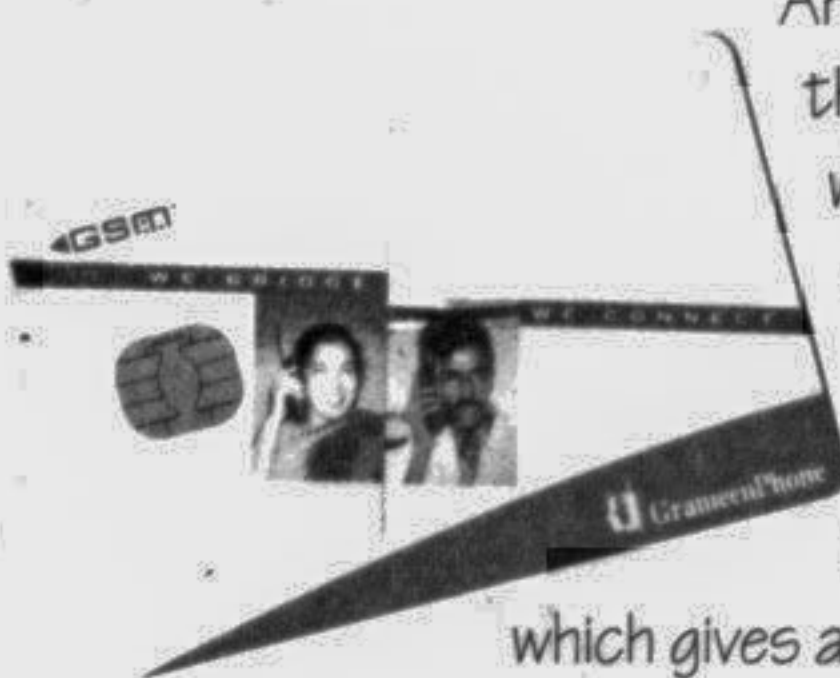
Monthly bills will be delivered to the customers by courier service and they must be paid within 10 days.

Once we get going, there will be other packages to give you more choices. There, the monthly fixed charge could be lower and the call charges higher. Or the vice versa.



Among these packages, a special one will be Village Phones. It will be looked after by our sister company Grameen Telecom and the Village Phones will be operated by Grameen Bank borrowers. Grameen Telecom will buy from GrameenPhone usage of many phones at one time, making it possible to sell minutes of usage at a substantial discount to the Grameen borrowers. Since the Grameen borrowers will keep a margin to make their operations viable, the end users will be paying at prices similar to GrameenPhone's customers. For the general public in the rural areas, the Village Phones will work like mobile pay-phones. Of course, ordinary GrameenPhone subscriptions, such as the Regular Package, will also be available in the rural areas once such areas are covered.

Another thing we would like you to know is that we are going to operate as fairly as we can. We will try our best to give connections to the general public on a first-come-first-served basis. Since our sales force could look after only heavy users, we have designed a system



which gives an opportunity for any one to apply by mail. One way is to go to one of our banks (ANZ Grindlays Bank, Southeast Bank or American Express Bank) on or after 5th April and deposit Taka 5,000 in cash to the account of GrameenPhone Limited. Then, please fill out the form posted in the right side and mail it to us with a copy of the receipt of your deposit. Alternatively, you could mail the filled out form along with a pay-order or a money order of Taka 5,000. As soon as we verify the actual receipt of the money, we will quickly register you as an applicant, send you an Application Form and a Registration Letter, giving you dates for you to pick up your phone and other accessories. This will allow us to ensure a position for you in this first-come-first-served queue, leaving the option to you to withdraw from this queue at any time.



We hope that we will not keep a customer in waiting, if at all. We have arranged a queue only to help you secure a position in case the demand substantially exceeds the supply.

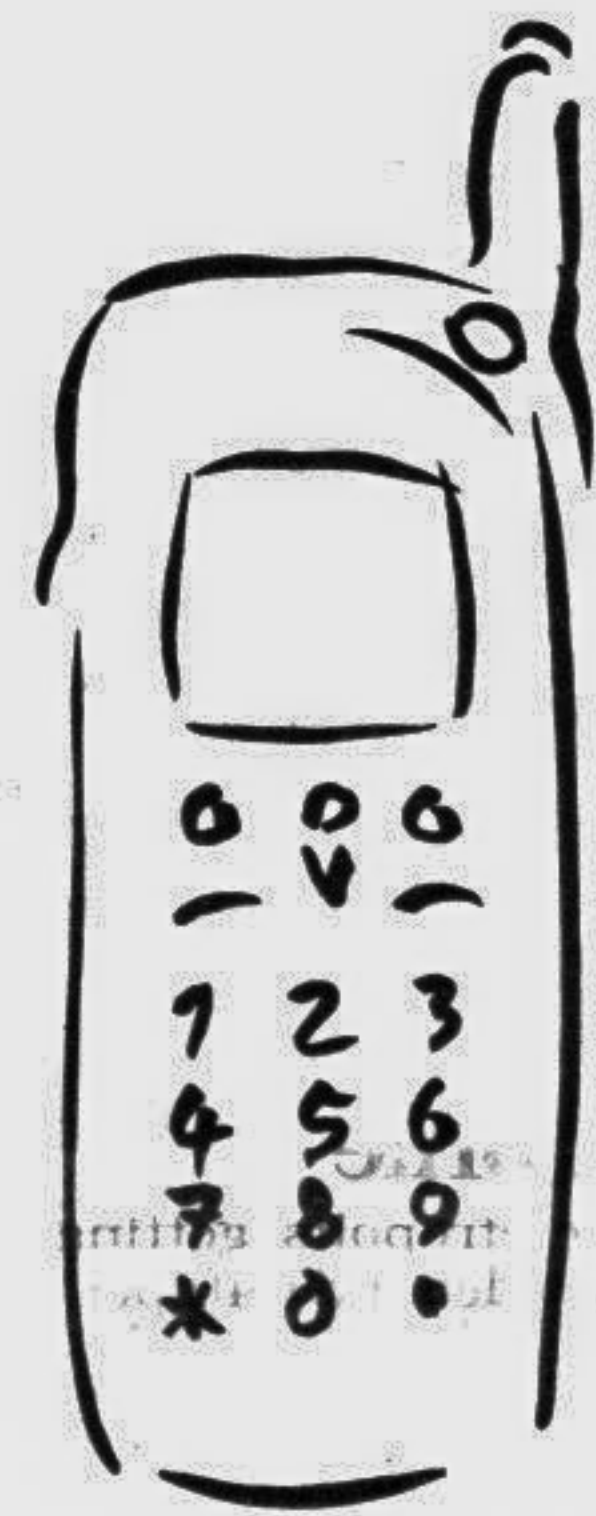
Finally, on the dates specified in the Registration Letter, a visit to our Info Centre (address given in this letter) could get you your handset and the necessary accessories for your subscription. This visit could get you to the point of dialling.

One more thing. Your handset could fall in the wrong hand and you could incur a huge bill for someone else using your phone. Our computers will monitor your charges relative to your security deposit and may terminate international and/or domestic calls if there is something irregular.



Needless to say that we welcome any comment or suggestion from you. Please mail them to our Info Centre.

Sincerely,
People at GrameenPhone Limited



GrameenPhone Info Centre
163/2B Gulshan Avenue
Gulshan 2 Dhaka 1212

Opens Today
21 March 1997

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NAME _____

ADDRESS _____

NUMBER OF CONNECTIONS DESIRED _____

OFFICE ADDRESS (IF ANY) _____

TELEPHONE (IF ANY) _____ FACSIMILE (IF ANY) _____

E-MAIL ADDRESS (IF ANY) _____

TO REGISTER BY MAIL AS AN APPLICANT FOR A SUBSCRIPTION, PLEASE FILL OUT THE FORM AND SEND IT TO US WITH A PAY-ORDER OR A MONEY ORDER OF TAKA 5,000, BUT NOT CASH. TO:

GRAMEENPHONE INFO CENTRE
163/2B GULSHAN AVENUE, GULSHAN 2, DHAKA 1212